

(Securities code: 4203)

SUMITOMO BAKELITE CO., LTD.  
5-8, Higashi-Shinagawa 2-chome,  
Shinagawa-ku, Tokyo, Japan

June 3, 2024

## NOTICE OF THE 133RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We hereby inform you of the 133rd Ordinary General Meeting of Shareholders (“Meeting”) to be held at the time and location set forth below.

In convening this Meeting, we have taken measures for electronic provision of information that constitutes the Reference Documents for the Shareholders’ Meeting (“Matters for Electronic Provision”) and have posted such information as the “NOTICE OF THE 133RD ORDINARY GENERAL MEETING OF SHAREHOLDERS” and the “NOTICE OF THE 133RD ORDINARY GENERAL MEETING OF SHAREHOLDERS and Other Matters Regarding Measures for Electronic Provision (Matters Omitted in the Issued Written Document)” on the Company’s website on the Internet. Therefore, shareholders are asked to review the materials by accessing the Company’s website indicated below.

- The Company’s website  
<https://www.sumibe.co.jp/english/ir/shareholder/index.html>

In addition to the above website, the Matters for Electronic Provision have also been posted on the Tokyo Stock Exchange (TSE) website. Shareholders are, therefore, asked to access the TSE website (Listed Company Search) indicated below, enter and search the “Issue name (company name)” (SUMITOMO BAKELITE CO., LTD.) or “Code” (4203), select “Basic information” and “Documents for public inspection / PR information,” and confirm the relevant information in “Notice of the General Meeting of Shareholders/ Materials for the General Meeting of Shareholders.”

- The Tokyo Stock Exchange website (Listed Company Search)  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

**In case you do not attend the Meeting in person, you may exercise your voting rights in advance in writing or via the Internet. Please review the “Reference for the General Meeting of Shareholders” mentioned below and exercise your voting rights in writing or via the Internet by Monday, June 24, 2024 at 5:40 p.m.**

Very truly yours,

Kazuhiko Fujiwara  
Representative Director, President

## Notice

1. **Date and Time:** Tuesday, June 25, 2024 at 10:00 a.m.
2. **Location:** Conference room of the Company on the 20th floor of Tennoz Parkside Building, 5-8, Higashi-Shinagawa 2-chome, Shinagawa-ku, Tokyo, Japan
3. **Agenda of the Meeting:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the 133rd Fiscal Year (from April 1, 2023 through March 31, 2024)
    2. Results of audit on the 133rd Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
  - Matters to be resolved:**
    - Proposal No. 1:** Appropriation of Surplus
    - Proposal No. 2:** Election of Nine (9) Directors
    - Proposal No. 3:** Election of One (1) Substitute Corporate Auditor

● From among the Matters for Electronic Provision, the “Notes to the Consolidated Financial Statements” of the Consolidated Financial Statements and the “Notes to the Non-consolidated Financial Statements” of the Non-consolidated Financial Statements are not included in the paper-based documents delivered to shareholders who have requested the delivery of such documents, pursuant to the laws, regulations, and Article 15 of the Company’s Articles of Incorporation. Therefore, the Consolidated Financial Statements and the Non-consolidated Financial Statements included in the documents provided to shareholders who have requested the delivery of paper-based documents constitute a portion of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Corporate Auditors and the Accounting Auditor to prepare the Audit Reports.

● Please be forewarned that, regarding the Matters for Electronic Provision, if a situation to be corrected occurs, we will post a notice to that effect, and the matters both before and after the revision on the Company’s website and the TSE website indicated above on the Internet.

● **The resolution result of this General Meeting of Shareholders will be posted on the Company’s website indicated above following the conclusion of the Meeting.**

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Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## REFERENCE FOR THE GENERAL MEETING OF SHAREHOLDERS

### Proposals and references

#### Proposal No. 1 Appropriation of Surplus

The Company believes that returning profits to shareholders are paramount management issues while proactively enhancing corporate value, and as for the appropriation of surplus, we will pay stable and continuous dividends, while also taking care to secure funds for the investments in preparation for future business expansion and the strategic investments and M&As to ensure sustained growth. In line with the above policy, the Company proposes to pay a year-end dividend of 80 yen per share.

As a result, the annual dividend for this fiscal year will be increased by 20 yen per share from the previous fiscal year to 150 yen per share, including the interim dividend.

- (1) Class of dividend property  
Monetary payment
- (2) Matters related to the disbursement of dividend property and the total amount  
Dividends: 80 yen per common share      Total amount: 3,725,180,000 yen
- (3) Effective date of the disbursement of dividends from surplus:  
June 26, 2024


Notes: The Company, by a resolution of the meeting of the Board of Directors held on January 31, 2024, conducted a share split at a ratio of 2 shares for every one common share, effective on April 1, 2024. Accordingly, concerning the above year-end dividend, as the record date is March 31, 2024, the Company will pay dividends based on the number of shares prior to the share split.


## Proposal No. 2 Election of nine (9) Directors


All of the nine (9) Directors will complete their terms of office at the conclusion of this Meeting. Accordingly, we propose that you elect the following nine (9) Directors.


The candidates for the positions are as follows:

Candidate No.	Name	Current position at the Company			
1	<b>Kazuhiko Fujiwara</b>	Representative Director President	Reappointment		
2	<b>Masayuki Inagaki</b>	Representative Director Executive Vice President	Reappointment		
3	<b>Takashi Kobayashi</b>	Director Senior Managing Executive Officer	Reappointment		
4	<b>Keisuke Kurachi</b>	Director Senior Managing Executive Officer	Reappointment		
5	<b>Shinichi Kajiya</b>	Senior Managing Executive Officer	New		
6	<b>Toshiya Hirai</b>	Director Managing Executive Officer	Reappointment		
7	<b>Kazuo Matsuda</b>	Outside Director	Reappointment	Outside	Independent
8	<b>Etsuko Nagashima</b>	Outside Director	Reappointment	Outside	Independent
9	<b>Hiroyuki Wakabayashi</b>	-	New	Outside	Independent

Candidate No. 1	(Name) <b>Kazuhiko Fujiwara</b>	<b>Reappointment</b>
	Date of birth	March 2, 1958
	Number of Company shares held	33,369
	Attendance at Board of Directors' meetings	13 times out of 13 meetings (100%)
	Brief personal history, position, and responsibility at the Company	
	April 1980 Entered the Company June 2009 Executive Officer of the Company April 2013 Managing Executive Officer of the Company June 2014 Director, Managing Executive Officer of the Company April 2016 Director, Senior Managing Executive Officer of the Company June 2018 Representative Director, President of the Company (to the present)	
<p>[Reasons for selecting as a candidate for Director]</p> <p>Mr. Kazuhiko Fujiwara possesses experience and achievements in the Company's overall businesses. He has led the core management of the Company for many years as Director. Since assuming the office as Representative Director and President in June 2018, he has provided leadership and taken the initiative in the Company's business. Accordingly, based on our judgment that he will contribute to improving the Company group's corporate value with his experience and achievement, we once again ask for the election of Mr. Fujiwara as Director.</p>		


Candidate No. 2	(Name) <b>Masayuki Inagaki</b>	<b>Reappointment</b>
	Date of birth	July 27, 1959
	Number of Company shares held	30,167
	Attendance at Board of Directors' meetings	13 times out of 13 meetings (100%)
	Brief personal history, position, and responsibility at the Company	
	April 1982 Entered the Company June 2009 Executive Officer of the Company April 2013 Managing Executive Officer of the Company June 2015 Director, Managing Executive Officer of the Company April 2017 Director, Senior Managing Executive Officer of the Company April 2021 Director, Executive Vice President of the Company June 2022 Representative Director, Executive Vice President of the Company	
<p>(Responsibility at the Company)</p> <p>Overseeing Corporate Research &amp; Development Div., Advanced Materials Research Laboratory, Bio &amp; Science Research Laboratory, Corporate Production Management &amp; Engineering Div., and Optical Circuit Business Development Dept.; In charge of Corporate Engineering Center</p>		
<p>[Reasons for selecting as a candidate for Director]</p> <p>Mr. Masayuki Inagaki has considerable experience as a chief person in charge of the manufacturing and production engineering areas as well as the promotion of sustainability, and has overseen the overall corporate research &amp; development and engineering area for many years. Accordingly, based on our judgment that he will contribute to improving the Company group's corporate value with his experience and achievement, we once again ask for the election of Mr. Inagaki as Director.</p>		


Candidate No. 3	(Name) <b>Takashi Kobayashi</b>	<b>Reappointment</b>
	Date of birth	February 22, 1963
	Number of Company shares held	18,659
	Attendance at Board of Directors' meetings	13 times out of 13 meetings (100%)
	Brief personal history, position, and responsibility at the Company	
	April 1987      Entered the Company April 2013      Executive Officer of the Company April 2017      Managing Executive Officer of the Company June 2018      Director, Managing Executive Officer of the Company April 2023      Director, Senior Managing Executive Officer of the Company (to the present)	
(Responsibility at the Company) Overseeing Kobe Facility Office, Films & Sheets Research Laboratory, Films & Sheets Div., Medical Products Business Div., S-BIO Business Div., and Amagasaki Plant		
[Major concurrent position] Representative Director, Chairman of the Board of Directors of SB-Kawasumi Laboratories, Inc.		
[Reasons for selecting as a candidate for Director] Mr. Takashi Kobayashi possesses considerable experience, having engaged in the High Performance Plastics segment business for many years and served as a chief person in charge of the Company's business in the China region. He currently serves as a chief person in charge of the Films & Sheets business, the Medical Products business, and the S-BIO business. Accordingly, based on our judgment that he will contribute to improving the Company group's corporate value with his experience and achievement, we once again ask for the election of Mr. Kobayashi as Director.		


Candidate No. 4	(Name) <b>Keisuke Kurachi</b>	<b>Reappointment</b>
	Date of birth	June 27, 1962
	Number of Company shares held	14,122
	Attendance at Board of Directors' meetings	13 times out of 13 meetings (100%)
	Brief personal history, position, and responsibility at the Company	
	April 1985      Entered the Company April 2016      Executive Officer of the Company April 2018      Managing Executive Officer of the Company June 2022      Director, Managing Executive Officer of the Company April 2023      Director, Senior Managing Executive Officer of the Company (to the present)	
(Responsibility at the Company) Overseeing Semiconductor Materials segment		
[Major concurrent position] Representative Director, President of Kyushu Sumitomo Bakelite Co., Ltd. Chairman of Sumitomo Bakelite (Taiwan) Co., Ltd.		
[Reasons for selecting as a candidate for Director] After entering the Company, Mr. Keisuke Kurachi engaged in businesses in Japan and overseas related to circuit products and electronic components materials. After that, he engaged in duties in production and research and development areas in the Semiconductor Materials segment and currently serves as a chief person in charge of this business segment, possessing considerable experience in this field. Accordingly, based on our judgment that he will contribute to improving the Company group's corporate value with his experience and achievement, we once again ask for the election of Mr. Kurachi as Director.		

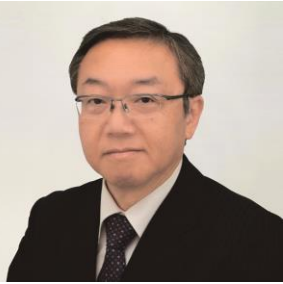
Candidate No. 5	(Name) <b>Shinichi Kajiya</b>	<b>New</b>
	Date of birth	April 9, 1965
	Number of Company shares held	9,546
	Brief personal history, position, and responsibility at the Company	
	April 1989	Entered the Company
	April 2017	General Manager of Information & Telecommunication Materials Div. of the Company
April 2019	Executive Officer of the Company	
April 2022	Managing Executive Officer of the Company	
April 2024	Senior Managing Executive Officer of the Company (to the present)	
(Responsibility at the Company) Overseeing High Performance Plastics segment		
[Reasons for selecting as a candidate for Director] Mr. Shinichi Kajiya has been engaged in businesses of the High Performance Plastics and Semiconductor Materials segments in Japan and overseas for many years both. He possesses considerable experience mainly in sales and marketing and currently, he serves as a chief person in charge of the High Performance Plastics business segment. Accordingly, based on our judgment that he will contribute to improving the Company group's corporate value with his experience and achievement, we ask for the election of Mr. Kajiya as new Director.		



Candidate No. 6	(Name) <b>Toshiya Hirai</b>		Reappointment
	Date of birth	February 16, 1963	
	Number of Company shares held	2,103	
	Attendance at Board of Directors' meetings	10 times out of 10 meetings (100%)	
	<b>Brief personal history, position, and responsibility at the Company</b>		
	April 1986 June 2022 July 2022 April 2023 June 2023	Entered Sumitomo Chemical Co., Ltd. Retired from Sumitomo Chemical Co., Ltd. Executive Officer of the Company Managing Executive Officer of the Company Director, Managing Executive Officer of the Company (to the present)	
<b>(Responsibility at the Company)</b> Overseeing Corporate General Affairs Div., Personnel Div., Corporate Planning Dept., Sustainability Promotion Dept., Osaka Office, and Nagoya Office; In charge of Corporate Finance & Planning Div., IT Promotion Div., and Global Procurement Div.			
<b>[Reasons for selecting as a candidate for Director]</b> Mr. Toshiya Hirai engaged in the Petrochemicals & Plastics Sector at Sumitomo Chemical Co., Ltd. for many years and currently he is serving as a chief person in charge of the overall administrative division and the procurement division of the Company. Accordingly, based on our judgment that he will contribute to improving the Company group's corporate value with his experience and achievement, we once again ask for the election of Mr. Hirai as Director.			

Candidate No. 7	(Name)			
	<b>Kazuo Matsuda</b>	Reappointment	Outside	Independent
	Date of birth	November 11, 1948		
	Number of Company shares held	5,310		
	Attendance at Board of Directors' meetings	13 times out of 13 meetings (100%)		
	Brief personal history, position, and responsibility at the Company			
	April 1971	Entered The Fuji Bank Limited (currently Mizuho Bank, Ltd.)		
	May 1997	General Manager of Kabutocho Branch of The Fuji Bank Limited (currently Mizuho Bank, Ltd.)		
	April 2000	Senior Managing Executive Officer of Fuji Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.)		
	October 2000	Managing Executive Officer of Mizuho Securities Co., Ltd.		
	May 2003	Senior General Manager of NSK Ltd.		
	June 2004	Vice President of NSK Ltd.		
June 2006	Senior Vice President of NSK Ltd.			
June 2008	Executive Vice President of NSK Ltd.			
June 2009	Director, Representative Executive Vice President of NSK Ltd.			
June 2011	Special Adviser of NSK Ltd.			
June 2015	Outside Corporate Auditor of the Company			
June 2016	Outside Director of the Company (to the present)			
[Major concurrent position]				
Outside Corporate Auditor of Daido Metal Co., Ltd.				
[Reasons for selecting as a candidate for Outside Director and expected role]				
<p>Mr. Kazuo Matsuda has considerable experience and a wide range of insights that he cultivated at a financial institution as well as business companies as a management executive. The Company expects him to provide appropriate opinions and valuable advice from an objective standpoint by using such knowledge. He has served as a member of the Appointment and Remuneration Committee and expressed opinions from an independent standpoint. Since he has played his role in line with the expectations mentioned above, we have judged that he is qualified for the position of Outside Director of the Company and that he can appropriately perform his duties as Outside Director. We, therefore, once again ask for the election of Mr. Matsuda as Outside Director.</p>				

Candidate No. 8	(Name) <b>Etsuko Nagashima</b>	Reappointment	Outside	Independent
		Date of birth	August 23, 1954	
Number of Company shares held		0		
Attendance at Board of Directors' meetings		13 times out of 13 meetings (100%)		
Brief personal history, position, and responsibility at the Company				
October 1978		Entered Deloitte Touche Tohmatsu LLC		
July 1980		Entered Tsukeshiba CPA Accounting Office		
October 1982	Certified Public Accountant registration			
June 1988	Established Nagashima CPA Accounting Office, Representative (to the present)			
April 2008	Representative Partner of Veritas audit firm			
June 2019	Outside Corporate Auditor of the Company			
June 2021	Outside Director of the Company (to the present)			
[Major concurrent position]				
Certified Public Accountant of Nagashima CPA Accounting Office Outside Director (Audit & Supervisory Committee Member) of Bull-Dog Sauce Co., Ltd.				
[Reasons for selecting as a candidate for Outside Director and expected role]				
Ms. Etsuko Nagashima has a specialist viewpoint and a wide range of insights relating to finance and accounting as a Certified Public Accountant. The Company expects her to provide appropriate opinions and valuable advice from an objective standpoint by using such knowledge. She has served as a member of the Appointment and Remuneration Committee and expressed opinions from an independent standpoint. Since she has played her role in line with the expectations mentioned above, we have judged that she is qualified for the position of Outside Director of the Company and that she can appropriately perform her duties as Outside Director. We, therefore, once again ask for the election of Ms. Nagashima as Outside Director.				

Candidate No. 9	(Name)	<b>Hiroyuki Wakabayashi</b>	<b>New</b>	<b>Outside</b>	<b>Independent</b>
	Date of birth	January 15, 1956			
	Number of Company shares held	400			
	Brief personal history, position, and responsibility at the Company				
	April 1979	Entered DENSO CORPORATION			
	June 2006	Executive Director of DENSO CORPORATION			
	June 2013	Senior Executive Director, Member of the Board of DENSO CORPORATION			
	June 2014	Director, Member of the Board, Senior Executive Director of DENSO CORPORATION			
	June 2015	Senior Executive Director of DENSO CORPORATION			
June 2016	Director, Member of the Board, Senior Executive Director of DENSO CORPORATION				
April 2017	Executive Vice President, Member of the Board of DENSO CORPORATION (Retired in June 2021)				
<p>[Reasons for selecting as a candidate for Outside Director and expected role]</p> <p>Mr. Hiroyuki Wakabayashi has considerable experience and a wide range of insights that he cultivated as a management executive in charge of overall production, R&amp;D, and the IT digital field, among others at a major manufacturer. The Company expects him to provide appropriate opinions and valuable advice from an objective standpoint by using such knowledge and we therefore ask for the election of Mr. Wakabayashi as a new Outside Director. Also, after assuming the position of Outside Director, the Company plans to appoint him as a member of the Appointment and Remuneration Committee.</p>					

Notes:

1. Mr. Keisuke Kurachi concurrently serves as Chairman of Sumitomo Bakelite (Taiwan) Co., Ltd., which engages in business transactions within a similar category as the Company and handles business transactions with the Company.
2. No conflict of interests exists between the Company and the candidates other than the candidate stated in 1. above.
3. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Kazuo Matsuda and Ms. Etsuko Nagashima to limit liability as provided for in Article 423, Paragraph 1 of the Companies Act and the maximum amount of liability shall be the amount stipulated in applicable laws and regulations. If the appointment of Mr. Hiroyuki Wakabayashi is approved, the Company will enter into an agreement with Mr. Wakabayashi to limit liability the same as those with Mr. Kazuo Matsuda and Mr. Etsuko Nagashima.
4. The Company has entered into a directors and officers liability insurance contract that covers the directors, corporate auditors and executive officers as the insured with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages including compensation for damages and legal expenses the insured assumes when claims for damages are made against the insured as a result of the execution (including omission) of his or her duties as an officer of the Company. The insurance premiums are fully paid by the Company. If this proposal is approved, the candidates will be insured under the insurance contract. Further, the Company plans to renew the insurance contract with the same content at the next renewal.
5. Mr. Kazuo Matsuda, Ms. Etsuko Nagashima, and Mr. Hiroyuki Wakabayashi are candidates for Outside Director.
6. The term in office as Outside Director of Mr. Kazuo Matsuda will be eight (8) years upon the conclusion of this Meeting. Also, he had served as Outside Corporate Auditor of the Company for a period of one (1) year before taking office as Outside Director of the Company.  
The term in office as Outside Director of Ms. Etsuko Nagashima will be three (3) years upon the conclusion of this Meeting. Also, she had served as Outside Corporate Auditor of the Company for a period of two (2) years before taking office as Outside Director of the Company.
7. The Company has determined Mr. Kazuo Matsuda, Ms. Etsuko Nagashima, and Mr. Hiroyuki Wakabayashi to be independent based on the “Criteria for Independence of Directors and Corporate Auditors” (page 17) stipulated by the Company. Further, Mr. Kazuo Matsuda, Ms. Etsuko Nagashima, and Mr. Hiroyuki Wakabayashi are submitted to Tokyo Stock Exchange, Inc. as independent officers. Mr. Hiroyuki Wakabayashi served as Director, Member of the Board of DENSO CORPORATION until June 2021 and DENSO CORPORATION and the Company have business transactions involving sales of the Company’s products. However, the amount of the said transactions accounts for less than 2% of the Company’s “revenue” for the most recent fiscal year and less than 2% of DENSO CORPORATION’s consolidated “cost of revenue” and “selling, general and administrative expenses” put together for the most recent fiscal year. Furthermore, the Company previously held shares of DENSO CORPORATION but disposed of all such shares in January 2024. Therefore, the Company has determined that Mr. Wakabayashi’s independence is ensured.
8. The Company conducted a share split at a ratio of 2 shares for every one common share, effective on April 1, 2024. The number of Company shares held by each candidate represents the number of shares after the said share split.

(Reference)

If this proposal is approved, the correspondence between key knowledge, experiences and abilities, etc. which the Company's Board of Directors requires, and the respective Directors will become as follows. This table does not cover all the knowledge, experiences or abilities, etc. required of the Company's Board of Directors. Key knowledge, experiences, and abilities, etc. of the Directors are marked with ●.

(As of June 25, 2024)

Name	Position at the Company	Knowledge, experiences and abilities, etc.							
		Corporate management	Global	Sales and marketing	Manufacturing and production engineering	Research & development	Sustainability and ESG	DX and information system	Finance and accounting
Kazuhiko Fujiwara	Representative Director President	●				●	●		
Masayuki Inagaki	Representative Director Executive Vice President				●		●	●	
Takashi Kobayashi	Director Senior Managing Executive Officer		●	●	●				
Keisuke Kurachi	Director Senior Managing Executive Officer		●		●	●			
Shinichi Kajiya	Director Senior Managing Executive Officer		●	●			●		
Toshiya Hirai	Director Managing Executive Officer						●	●	●
Kazuo Matsuda	Outside Director	●	●						●
Etsuko Nagashima	Outside Director	●					●		●
Hiroyuki Wakabayashi	Outside Director	●			●			●	

Additionally, the correspondence between key knowledge, experiences and abilities, etc. which the Company's Board of Corporate Auditors requires, and the respective Corporate Auditors will become as follows. This table does not cover all the knowledge, experiences or abilities, etc. required of the Company's Board of Corporate Auditors. Key knowledge, experiences, and abilities, etc. of the Corporate Auditors are marked with ●.

(As of June 25, 2024)


Name	Position at the Company	Knowledge, experiences, abilities, etc.				
		Corporate and organization management	Finance and accounting	Legal affairs and compliance	Internal control and risk management	Global
Yoshikazu Takezaki	Standing Corporate Auditor	●		●	●	
Katsushige Aoki	Standing Corporate Auditor		●		●	●
Kazuhiko Yamagishi	Outside Corporate Auditor			●	●	●
Noriko Kawate	Outside Corporate Auditor		●	●	●	

### Proposal No. 3 Election of One (1) Substitute Corporate Auditor

We propose that, preparing for a deficiency in the legal number of corporate auditors, you elect one (1) Substitute Corporate Auditor in advance. Also, we propose that, limited to the period prior to the assumption of office, the appointment of a Substitute Corporate Auditor may be effectively withdrawn by the resolution of the Board of Directors after obtaining an approval of the Board of Corporate Auditors.

The Board of Corporate Auditors has given prior consent to the submission of this proposal.

The candidate for the Substitute Corporate Auditor is as follows:

(Name)			
<b>Setsuko Yufu</b>		Outside	Independent
	Date of birth	March 28, 1952	
	Number of Company shares held	0	
	Brief personal history and position at the Company		
	April 1981	Lawyer registration	
	January 2002	Senior Partner of Atsumi & Sakai (to the present)	
[Major concurrent position]			
Lawyer at Atsumi & Sakai Outside Corporate Auditor of Panasonic Holdings Corporation			
[Reasons for selecting as a candidate for Substitute Outside Corporate Auditor]			
We propose to appoint Ms. Setsuko Yufu as Substitute Outside Corporate Auditor, as she has a specialist viewpoint as a lawyer and a wide range of insights relating to management, and we have judged that she is qualified for the position of Outside Corporate Auditor of the Company and that she can appropriately perform her duties as Outside Director.			

- Notes:
1. No conflict of interests exists between the Company and the candidate.
  2. If the Substitute Corporate Auditor assumes the office of Outside Corporate Auditor after approval of this proposal, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company intends to enter into an agreement with Ms. Setsuko Yufu to limit liability as provided for in Article 423, Paragraph 1 of the Companies Act and the maximum amount of liability shall be the amount stipulated in applicable laws and regulations.
  3. The Company has entered into a directors and officers liability insurance contract that covers the directors, corporate auditors and executive officers as the insured with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages including compensation for damages and legal expenses the insured assumes when claims for damages are made against the insured as a result of the execution (including omission) of his or her duties as an officer of the Company. The insurance premiums are fully paid by the Company. If the Substitute Corporate Auditor assumes the office of Outside Corporate Auditor after approval of this proposal, Ms. Setsuko Yufu will become the insured under the insurance contract. Further, the Company plans to renew the insurance contract with the same content at the next renewal.
  4. Ms. Setsuko Yufu is a candidate for Substitute Outside Corporate Auditor.
  5. The Company has determined Ms. Setsuko Yufu to be independent based on the “Criteria for Independence of Directors and Corporate Auditors” (page 17) stipulated by the Company. Further, Ms. Yufu satisfies the requirements of independent officers stipulated by the Tokyo Stock Exchange, Inc., and if, after approval of this proposal, the Substitute Corporate Auditor assumes the office of Outside Corporate Auditor, the Company plans to submit Ms. Yufu to Tokyo Stock Exchange, Inc. as an independent officer.



(Reference)

The Company has stipulated the criteria on the independence of Directors and Corporate Auditors as follows for the determination of their independence.

#### Criteria for Independence of Directors and Corporate Auditors

The criteria determining the independence of Directors and Corporate Auditors shall be as follows:

1. A Director or a Corporate Auditor shall satisfy the requirements for an outside officer as stipulated by the Companies Act and shall not fall under any of the following in order to be deemed independent.
  - (1) A major business partner of the Company (within the past five (5) years)
    - An individual whose business accounts for 2% or more of the Company's annual consolidated revenue for the most recent fiscal year (in the case of a corporation or a group, an executive officer thereof (including an adviser or any other corporate officer)).
    - In the case of an individual who has left the position as an executive officer of a major business partner, an individual with less than five (5) years since his/her departure from office.
    - In the case of an individual whose major business partner is the Company, determination shall be made based on the actual business status.
  - (2) Attorneys, certified public accountants, tax accountants, and other consultants and professionals
    - An individual who is receiving an annual amount of 10 million yen or more from the Company in money or any other property benefit other than the Director's or Corporate Auditor's compensations (including any individual belonging to a group such as a law firm, an audit corporation, a tax accounting firm, a consulting firm, or any other corporation or association).
    - An individual receiving an annual amount of 10 million yen or more from the Company in donation or subsidy (including a board member or any other executive officer of a corporation, association or any other group).
  - (3) Major Shareholders
    - An individual whose shares account for 10% or more of the voting rights (in the case of a corporation or a group, an executive officer thereof (including an adviser or any other corporate officer)).
    - An individual who was an executive officer of an aforementioned corporation or any other group during the past five (5) years.
  - (4) Relatives
    - A spouse, or a second-degree or a closer relative of an executive officer of the Company group.
    - The independence of the spouse, or the second-degree or the closer relative of an individual falling under any of (1) through (3) shall be determined based on the actual situation.
2. When there are doubts concerning independence due to attributes other than those listed in 1. above, the Board of Directors shall determine independence on a case-by-case basis.